

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 23, 2004

FROM: ELIZABETH SANCHEZ, Director
Human Resources Department

SUBJECT: RISK MANAGEMENT SERVICE CONTRACTS

RECOMMENDATION: Authorize Risk Management Division, Human Resources to quarterly review service needs for the Risk Management Program and perform quarterly Request for Proposal evaluations and bring necessary contracts to the Board to ensure continuity of litigation and investigative services.

BACKGROUND INFORMATION: The County has self-insured and self-administered its public liability and workers' compensation programs since 1978. Specialized litigation and investigative services are necessary to investigate and provide legal defense against liability and workers' compensation claims that cannot be handled by existing staff. Contracting with specific providers allows the County to control expenses by using standard, low cost, fixed rate schedules.

Pursuant to County Policy 11-05 the Board approves the release of Request for Proposals (RFP) to solicit proposals for these services. The RFPs are released and then evaluated by a committee of representatives from Purchasing, County Counsel and Risk Management. The proposals are evaluated based upon compliance with the RFP, qualifications, experience, ability to serve the county and price. The evaluation committee confidentially reviews the proposals individually and individually rates each contractor. Risk Management then recommends the top contractors to the Board for three-year contracts. On numerous occasions the available contractors have been inadequate to complete all work for the duration of the three-year contract period. This is caused by either attrition or the need for specialized services not within the expertise of existing contractors. Risk Management is recommending quarterly review of our legal defense and investigation needs in the future along with the ability to evaluate, accept and contract with new vendors utilizing the RFP approved by the Board. If additional services are necessary contractors would be required to submit a proposal which would be evaluated by the Committee and then a new contract would be brought to the Board for approval to run concurrently with the existing three year contracts. Historically, out-of-state and special investigative needs have arisen and this process would permit contracting with firms necessary to meet the county's ongoing needs. Staff will use the RFPs approved for each selection process for future quarterly evaluations.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Michael Sachs, Chief Deputy County Counsel, 387-5281) on November 10, 2004, Purchasing (Aurelio De La Torre, Director, 387-2074) on November 10, 2004 and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on November 10, 2004.

FINANCIAL IMPACT: The costs for services performed will be rendered based upon the contracted fee schedule on file with the Clerk of the Board. Fees for these services are paid from the various Risk Management sub funds that are funded by departments via Board-approved rates. No change in Risk Management's budget appropriation is required as these costs are budgeted in the FY2004/05 Budget.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this item, concurs with the department's proposal and recommends this action. Approving this process will enable the County to continue to manage its claims administration responsibilities in a fiscally prudent manner.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Pamela Thompson, Risk Manager, 386-8620

Record of Action of the Board of Supervisors

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